

**REGULAR MEETING  
RENO CITY COUNCIL  
BRIEF OF MINUTES  
January 27, 2010**

The Reno City Council held a Regular meeting at 10:07 a.m. on Wednesday, January 27, 2010 in the Council Chambers in City Hall.

**PRESENT:** Councilpersons Gustin, Zadra, Sferrazza, Dortch, Aiazzi and Hascheff and Mayor Cashell.

**ABSENT:** None.

**ALSO PRESENT:** City Manager Dreska, City Attorney Kadlic, Chief Deputy City Attorney Chase and City Clerk Jones.

**A.3 APPROVAL OF THE AGENDA – January 27, 2010.**

It was moved by Councilperson Zadra, seconded by Councilperson Hascheff to approve the agenda with item C.6 withdrawn.

Motion carried.

**A.4 APPROVAL OF THE MINUTES – January 8, 2010 and January 13, 2010 Special Meeting.**

It was moved by Councilperson Aiazzi, seconded by Councilperson Hascheff to approve the minutes.

Motion carried.

**B.0 CASH DISBURSEMENTS – January 10, 2010 through January 16, 2010.**

It was moved by Councilperson Gustin, seconded by Councilperson Hascheff to approve the Cash Disbursements.

Motion carried.

**AGENDA  
ITEM  
NO.**

**C.0 CONSENT AGENDA**

- C.1 Staff Report: Approval of Amendment #2 to the Consultant Agreement with JBR Environmental Consultants, Inc. for the Oxbow Park Restoration Project in an amount not to exceed \$46,981 (Truckee River Fund Grant Funding).

Recommendation: Staff recommends that the Council approve Amendment #2 of the Agreement with JBR Environmental Consultants, Inc. and authorize the Mayor to sign.

- C.2 Staff Report: Approval of bid awards for the 2010 Neighborhood Street Rehabilitation Program Units to: Granite Construction for Unit 1 in an amount not to exceed \$1,696,696; Granite Construction for Unit 2 in an amount not to exceed \$1,589,589; and Spanish Springs Construction for Unit 3 in an amount not to exceed \$1,363,333 (Accelerated Streets Program).

Recommendation: Staff recommends that the Council award the bids and authorize the Mayor to sign.

- C.3 Staff Report: Approval to purchase handheld 800 MHz radio batteries and chargers in an amount not to exceed \$46,000 (General Fund).

Recommendation: Staff recommends that the Council approve the purchase of 250 batteries and chargers from Global Technology Systems, Inc. in an amount not to exceed \$45,679.

- C.4 Staff Report: Request for approval to pay arbitrator-ordered back pay in the amount of \$47,225.14 to Kenneth P. Birchall under Arbitration Award dated May 25, 2007 (Building Enterprise Fund).

Recommendation: Staff recommends that the Council approve the payment of the arbitrator-ordered back pay.

- C.5 Staff Report: Request for a one-year time extension on the Tentative Map for the Damonte Ranch Village 19A & 19B Subdivisions located south of Rio Wrangler Parkway, ±4,700 feet southwest of the intersection with Desert Way. **LDC04-00198 (Damonte Ranch Village 19A & 19B). [Ward 2]**

Recommendation: Staff recommends that the Council approve the time extension.

**AGENDA  
ITEM  
NO.**

- C.6 Staff Report: Approval of Award of RFP #030056 to D.F. Drumm, Inc. for Fire Hydrant Services for an estimated amount of \$50,000 (General Fund).

Recommendation: Staff recommends that the Council award the RFP (Request for Proposals) to D.F. Drumm, Inc.

THIS ITEM WAS WITHDRAWN FROM THE AGENDA.

- C.7 Staff Report: Award and Approval of a Contract with BBC Research & Consulting to complete a new Consolidated Plan and the 2010 Action Plan (\$52,650: CDBG/HOME).

Recommendation: Staff recommends that the Council approve the contract.

- C.8 Staff Report: Approval of an Interlocal Agreement with Washoe County to provide data entry services under the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

Recommendation: Staff recommends that the Council approve the Interlocal Agreement with Washoe County to pay \$15,000 for data entry services performed by City HPRP staff.

It was moved by Councilperson Gustin, seconded by Councilperson Zadra to approve items C.1 through C.8 with item C.6 withdrawn and item C.4 pulled for discussion.

Motion carried.

- C.4 Staff Report: Request for approval to pay arbitrator-ordered back pay in the amount of \$47,225.14 to Kenneth P. Birchall under Arbitration Award dated May 25, 2007 (Building Enterprise Fund).

Recommendation: Staff recommends that the Council approve the payment of the arbitrator-ordered back pay.

Don Christensen, Deputy City Attorney, stated that the correct amount to be awarded is \$46,306.56.

It was moved by Councilperson Dortch, seconded by Councilperson Hascheff to approve the payment of the arbitrator-ordered back pay in the amount of \$46,306.56.

Motion carried.

**AGENDA  
ITEM  
NO.**

**D.0 PROCLAMATIONS**

- D.1 Proclamation declaring February 1, 2010 as Sparks Florist Day honoring the 50<sup>th</sup> Anniversary of Sparks Florist.

Councilperson Gustin, on behalf of Mayor Robert A. Cashell, Sr. and the City of Reno, proclaimed February 1, 2010 as Sparks Florist Day.

**E.0 PRESENTATIONS:**

- E.1 Presentation by the Reno Tahoe International Airport Authority regarding operations and major issues – Krys T. Bart, President/CEO.

Krys Bart, President and Chief Executive Officer, Reno-Tahoe International Airport, presented the report.

Mayor Cashell and Councilperson Zadra discussed the success of recent airport renovations.

Councilperson Aiazzi and Ms. Bart discussed property tax issues related to developments, such as the Hyatt Place Hotel, located on airport property.

Councilperson Sferrazza and Ms. Bart discussed Home Gardens issues, including height and density restrictions. Ms. Bart agreed to provide the Neighborhood Advisory Boards (NABs) with an update regarding potential uses of the site.

**H.0 RESOLUTIONS [Other Resolutions can be found under the Public Hearing and City Manager Sections of this Agenda.]**

- H.2 Staff Report: **Resolution No.** Resolution relating to the City of Reno, Nevada, Hospital Revenue Bonds (Washoe Medical Center Project) (Auction Rate Securities), Series 2004C previously issued by the City; delegating to City officials the authority to execute and deliver the purchase contract and to determine certain final terms of such bonds in connection with the conversion to a fixed interest rate of such bonds; authorizing the execution and delivery by the City of the purchase contract and closing documents in connection therewith; and ratifying all consistent actions heretofore taken toward the conversion to a fixed interest rate of such bonds.

Recommendation: Staff recommends that the Council adopt the resolution.

Councilperson Sferrazza and Mary Ann Parrot, Finance Director, agreed that Reno taxpayers will not be required to pay for the bonds, and that Reno is only acting as a conduit so that Renown can refinance the auction-rate bonds to fixed-rate bonds.

**AGENDA  
ITEM  
NO.**

**H.2 Resolution ... City of Reno, Nevada, Hospital Revenue Bonds -- continued**

Councilperson Sferrazza, Mayor Cashell and Keith Lee, representing Renown Regional Medical Center, discussed Renown's commitment to pay \$500,000 a year for five years to support the Community Triage Center. Mr. Lee said that this is the fifth and final year of the agreement, and the last payment will be made in a timely fashion.

**F.0 PUBLIC HEARINGS – 10:15 A.M.**

- F.1 Staff Report:** Request to amend Condition No. 2 for LDC07-00179 (Damonte Ranch Village 23) to extend the Tentative Map expiration date from February 7, 2010 to February 7, 2011. The ±35.98 acre site is located north of the Rio Wrangler Parkway/Brittany Park Drive intersection ±1,300 feet east of Veterans Parkway in the PUD (Planned Unit Development) zone. **Case No. LDC10-00029 (Damonte Ranch Village 23). [Ward 2]**

**Recommendation:** Staff recommends that the Council approve the amendment.

The Mayor asked if proper notice was given.

City Clerk Jones stated that proper notice was given and no correspondence was received.

Mayor Cashell opened the public hearing and asked if anyone wished to speak. No one spoke, and the Mayor closed the public comment portion of the hearing.

It was moved by Councilperson Zadra, seconded by Councilperson Gustin to uphold the staff recommendation.

Motion carried.

- F.2 Staff Report:** Offer of and request for acceptance of the dedication of a ±714 square foot parcel adjacent to Neil Road to be used for future roadway widening. **Case No. PAR10-00010 - Parcel Map for Sierra Bouquet VII, LLC. [Ward 3]**

**Recommendation:** Staff recommends that the Council accept the parcel offered for dedication as a public street.

The Mayor asked if proper notice was given.

City Clerk Jones stated that proper notice was given and no correspondence was received.

**AGENDA  
ITEM  
NO.**

**F.2 Case No. PAR10-00010 - Parcel Map for Sierra Bouquet VII -- continued**

Mayor Cashell opened the public hearing and asked if anyone wished to speak. No one spoke, and the Mayor closed the public comment portion of the hearing.

It was moved by Councilperson Sferrazza, seconded by Councilperson Hascheff to uphold the staff recommendation.

Motion carried.

**G.0 ORDINANCES, ADOPTION – None.**

**H.0 RESOLUTIONS -- continued**

**H.1 Staff Report: Resolution No.** Approval of Resolution for Budget Augmentations and Approval of Budget Revisions October 1, 2009 through January 31, 2010.

Recommendation: Staff recommends that the Council adopt the resolution.

It was moved by Councilperson Sferrazza to adopt Resolution No. 7435.

Councilperson Aiazzi said that the Special Events Subcommittee should discuss the ramifications of eliminating \$53,000 from the Special Events Fund (column 2, page 7 of Schedule B - General Fund Revised Expenditure Schedule).

It was moved by Councilperson Sferrazza, seconded by Councilperson Hascheff to amend the motion and adopt Resolution No. 7435 with an amendment to remove the \$53,000 under the Special Event Fund with direction that the allocation be referred to the Special Events Subcommittee for review.

Motion carried.

**H.3 Staff Report: Resolution No.** Resolution granting approval of up to \$120,000 to ARTown for Festival Sponsorship for FY2010 (PRCS Special Revenue Fund).

Recommendation: Staff recommends that the Council adopt the resolution.

*This item was continued from the December 16, 2009 City Council meeting.*

**H.3.1 Approval of an Agreement with ARTown for Festival Sponsorship for FY2010.**

Recommendation: Staff recommends that the Council approve the agreement and authorize the Mayor to sign.

**AGENDA  
ITEM  
NO.**

- H.4 Staff Report: **Resolution No.** Resolution granting approval of up to \$10,000 to Sierra Arts Foundation to maintain a Web-Based Arts Calendar (PRCS Special Revenue Fund).

Recommendation: Staff recommends that the Council adopt the resolution.

*This item was continued from the December 16, 2009 City Council meeting.*

- H.4.1 Approval of an Agreement with Sierra Arts Foundation for Sponsorship of a FY2010 Web-Based Arts Calendar.

Recommendation: Staff recommends that the Council approve the agreement and authorize the Mayor to sign.

- H.5 Staff Report: **Resolution No.** Resolution granting approval of up to \$63,700 to the Pioneer Center for Performing Arts for FY2010 Sponsorship (PRCS Special Revenue Fund).

Recommendation: Staff recommends that the Council either adopt the resolution granting sponsorship of up to \$63,700, or determine the level of funding appropriate for this sponsorship and adopt a resolution in an amount determined by the Council.

*This item was continued from the December 16, 2009 City Council meeting.*

- H.5.1 Approval of an Agreement with Pioneer Center for Performing Arts for FY2010.

Recommendation: Staff recommends that the Council approve the agreement and authorize the Mayor to sign.

ITEMS H.3, H.3.1, H.4, H.4.1, H.5 AND H.5.1 WERE CONSIDERED TOGETHER.

Councilperson Sferrazza suggested discussing these items after item J.6.

Councilperson Aiazzi suggested referring the items back to the Arts and Culture Commission for discussion and recommendations regarding cutbacks.

Discussion ensued regarding asking the Commission to hold a special meeting.

It was moved by Councilperson Aiazzi, seconded by Councilperson Hascheff to refer items H.3, H.3.1, H.4, H.4.1, H.5 and H.5.1 to the Arts and Culture Commission and request that the Commission return with recommendations no later than February 24, 2010.

Motion carried.

**AGENDA  
ITEM  
NO.**

**I.0     ORDINANCES, INTRODUCTION [Other Ordinance Introductions can be found under the Public Hearing Sections of this Agenda.]**

**J.0     STANDARD DEPARTMENT ITEMS**

**J.1     PUBLIC WORKS**

J.2     Staff Report: Discussion and potential direction to staff regarding a proposed Summary of Key Provisions for a Cooperative Agreement between the cities of Reno and Sparks and Washoe County to implement a new Flood Management Authority, including the financing, construction, ownership, operation and maintenance of the Truckee River Flood Management Project.

Recommendation: Staff seeks Council direction regarding the Summary of Key Provisions to be used in drafting the Cooperative Agreement for a Joint Powers Authority (JPA) for the Truckee River Flood Management Project including the formation, governance, and administration of the JPA, as well as construction, ownership, operation and future maintenance of Flood Project facilities.

John Flansberg, Interim Director of Public Works, provided a brief overview of the Staff Report.

Naomi Duerr, Flood Project Director, provided an overview of key provisions included in the proposed Flood Project JPA and actions recently taken by the Flood Project Coordinating Committee (FPCC).

Councilperson Sferrazza and Ms. Duerr discussed whether there are shovel-ready projects that would qualify for federal assistance.

Councilperson Sferrazza said that she is comfortable with the proposed JPA voting structure (simple majority for most votes and super majority for a few items), the project will create jobs and improve flood protection, and the Council should move this along in the spirit of cooperation.

Councilperson Gustin said that he is comfortable with the super majority voting structure because a measure cannot pass if both City members vote against it.

Councilperson Aiazzi, Ms. Duerr and Susan Ball Rothe, Deputy City Attorney, discussed details of the JPA's proposed ratemaking powers.

Councilpersons Sferrazza noted that five of the six JPA members would have to vote in the affirmative in order to implement fees, and Mayor Cashell and Councilperson Gustin could delay approval until after they discussed the issue with the Reno City Council.



**AGENDA  
ITEM  
NO.**

**J.2 Discussion ... implement a new Flood Management Authority -- continued**

Councilperson Aiazzi said that initial discussions regarding the JPA's authorities were that the implementation of fees would have to be approved by the separate entities (Reno, Sparks and Washoe County).

Councilperson Gustin said that other entities (University of Nevada, Reno and Storey County) were not included in the proposed JPA because they do not have elected officials who answer to the people on which the fees would be imposed.

Councilperson Hascheff and Ms. Duerr discussed the City's authority to create Special Assessment Districts (SADs), and other details regarding the proposed JPA's authority.

It was moved by Councilperson Gustin, seconded by Councilperson Hascheff to direct staff to move forward with the formation of the Joint Powers Authority.

Motion carried.

**J.3 CITY MANAGER**

**J.4 Staff Report: Discussion and possible direction to staff regarding the current Sewer Claim Payment Council Policy.**

Recommendation: Staff recommends approval of Option 1, dissolving the current policy.

Gary Cornwall, Risk Manager, provided an overview of the Staff Report.

Councilperson Aiazzi and Mr. Cornwall discussed the current practice of cleaning out the City's sewer lines every two years, and the more troublesome lines more frequently.

Councilperson Aiazzi suggested that the policy could be changed to state that the City would not pay claims related to sewer lines that had been regularly cleaned and maintained.

Tracy Chase, Chief Deputy City Attorney, suggested that a sewer backup could be caused by an external event, such as flooding, that is unrelated to whether the lines had been cleaned out within the past two years. She stated that legal counsel recommends that the Council rescind the current policy, and let the Risk Manager and City Attorney's Office review claims on a case-by-case basis.

**AGENDA  
ITEM  
NO.**

**J.4 Discussion ... current Sewer Claim Payment Council Policy -- continued**

Discussion ensued regarding case law that determined that once a City has constructed a sewer line, it does not have a duty to inspect that line, and the fact that jurisdictions throughout the State routinely deny all sewer claims.

The Mayor and Councilpersons agreed that the City should build contingencies into the policy to address claims regarding the backup of sewer lines that have not been regularly cleaned.

It was moved by Councilperson Aiazzi, seconded by Councilperson Gustin to refer this item back to staff.

Motion carried.

**MAYOR CASHELL ABSENT AT 11:31 A.M. ASSISTANT MAYOR ZADRA PRESIDED IN MAYOR CASHELL'S ABSENCE.**

**J.5 Staff Report: Discussion and potential approval of the 2010 Federal Priorities.**

Recommendation: Staff recommends that the Council approve the 2010 Federal Priorities as presented in the Staff Report.

Maureen McKissick, Grant and Fund Development Manager, presented a brief overview of the Staff Report.

Councilperson Hascheff and Ms. McKissick discussed seniors programs.

Councilperson Sferrazza and Ms. McKissick discussed the status of the City's SAFER (Staffing for Adequate Fire and Emergency Response) Grant application.

Sam Dehne, Reno resident, presented his views on this issue.

**MAYOR CASHELL PRESENT AT 11:35 A.M.**

It was moved by Councilperson Hascheff, seconded by Councilperson Gustin to uphold the staff recommendation.

Motion carried.

**COUNCILPERSON SFERRAZZA ABSENT AT 11:36 A.M.**

**AGENDA  
ITEM  
NO.**

- J.6 Update, presentation and recommendations for the FY2010-2011 Budget, including recommendation of reduction in force, discussion and potential direction to staff.

Recommendation: Staff recommends that the Council: 1) Select one-time reductions to include in the FY2010-2011 Budget for adoption in May 2010; and 2) direct the City Manager to return to the employee bargaining units to discuss employee concessions of up to \$10.4 million, or the amount of the General Fund deficit as reduced by one-time concessions.

The following six individuals presented Public Comment Forms in opposition to public safety reductions in force, but did not wish to speak:

Shawn Grady, 50 Chinchilla Lane

Sarah Beth Grady, 50 Chinchilla Lane

Jason Eastman, 3950 Peregrine Circle

Martin Smith, 1980 Red Willow Drive

Tegg Orduno, 7624 Waterview

Lawrence Smith, 3942 Clear Acre Lane #244

Bergen Smith, no address provided, discussed her opposition to the reduction in force of firefighters, and the recent closure of Fire Station No. 7.

Terri O'Hanlon, 3300 Skyline Boulevard #274, stated that the Fire Department should be immune from any reduction in force.

**COUNCILPERSON SFERRAZZA PRESENT AT 11:40 A.M.**

Lysle Winchester, 2250 Hedgewood Drive, discussed his opposition to the Fire Department reduction in force.

Sabine Beach, 4774 Village Green, discussed her opposition to the closure of Fire Station No. 7, and said that it took 10 minutes for another unit to respond to an incident last week.

Jennifer Smith, 1980 Red Willow Drive, discussed her opposition to three-man engine crews and fire station closures.

Heather Winchester, 2215 Stowe Drive, discussed her husband's service to the Fire Department, and stated that politics cost her husband his job. She suggested that the Council should rescind the public safety layoffs they recently approved.

Jonna Aucoin, 1570 Fairfield Avenue, presented a Public Comment Form in opposition to firefighter layoffs, but did not speak.

**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Maxine Tesche, P.O. Box 7152, discussed her opposition to layoffs in the Fire Department. She said that City employees should be offered another round of buyouts, and all employees should take salary and benefits reductions.

Ruth Spencer, 3885 Gibraltar Street, discussed Caughlin Ranch Elementary School and Panther Valley response time issues.

Sam Dehne, Reno resident, presented his views on this issue.

Mayor Cashell asked why Fire Station No. 7 was recently closed for a day.

Joe Duroseau, Emergency Operations Fire Battalion Chief, said that there were seven firefighters on that shift who were on Worker's Compensation leave, and others who were taking vacation. He stated that it was coincidental that the recent closure of Station No. 7 took place a day after the layoffs occurred.

Mayor Cashell and Tim Alameda, Interim Fire Chief, discussed the number of fire stations in Reno.

Mayor Cashell summarized by saying that the City of Reno opened one new fire station since 2007 (Somerset), and there are approximately 30 more firefighters now than there were in 2007. He questioned again why Fire Station No. 7 was closed at all.

Mayor Cashell stated that the City Council has no choice except to implement another reduction in force unless all of the City's employees agree to make additional concessions, and if the Council laid off everyone except police and firefighters, they still would not be able to balance the City's budget. He said that the Council has taken pay cuts and given up their cell phone and car allowances, and reiterated that what is needed now are more employee concessions. Mayor Cashell said that the upcoming Special Session of the Legislature in February 2010 will most likely result in more cuts to local jurisdictions, and all of the City's departments are going to have to cut back on their expenses.

Councilperson Aiazzi noted that there were 127 firefighters in 2006, and their average base pay with PERS (Public Employee Retirement System) benefits was \$65,000, while in 2009 there were 167 firefighters with an average base pay with PERS of \$87,765. He stated that there are an additional 40 people in the Fire Department now than there were in 2006, the base pay has increase by \$22,000 per firefighter in those four years, and anyone who claims that the City is singling out firefighters for budget cuts should note these facts.

**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Councilperson Aiazzi corrected Mayor Cashell by saying that the City could not balance the budget, which by law they are required to do, even if everyone else in the City were laid off except firefighters and police officers. He explained the importance of the City's other departments, and stated that Nevada's cities and counties have little choice other than concessions or layoffs.

Councilperson Dortch said that when he met with members of IAFF (International Association of Firefighters) Local #731, they told him that they agreed to and could live with the budget plan the Fire Chief would be bringing forward, a proposal that did not include employee layoffs, but did include station brownouts and closures.

Operations Chief Dourousseau said that everyone in the Fire Department agreed that the Department has to reduce services, and they put together a plan that they all agreed would have the least impact on public safety.

Councilperson Dortch asked if was fair to say that everyone in the Fire Department worked together on a plan that did not include layoffs, everyone in the Department signed off on the plan, and everyone in the Department agreed that it was the best plan to present to the Council.

Tim Alameda, Interim Fire Chief, stated that, yes, it was fair to say that everyone in the Fire Department agreed on the plan that was presented to the Council.

Councilperson Dortch stated that the plan the Local #731 members agreed to included fire station brownouts and closures.

Chief Alameda said that while Local #731 members did not vote on the plan that was presented to the Council, they did understand what was being proposed.

Brad Jensen, President of IAFF Local #731, stated that union members saw the plan and, while they agreed that cuts had to be made in the Fire Department's Budget, they did not agree with the plan because it is unsafe.

Councilperson Dortch said that Mr. Jensen did not say that the plan was unsafe when he met with him to discuss budget issues.

Mr. Jensen stated that he stressed the importance of having four-person crews at every station throughout the City when he spoke with Councilperson Dortch, even if brownouts are required.

**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Councilperson Dortch stated that the Council only recommended browning out fire engines on the Fire Department's recommendation.

Mr. Jensen reiterated that while the firefighters can live with the plan because budget reductions are necessary and it is the best thing to do, it is not the safest thing to do.

Mayor Cashell said that Mr. Jensen also told him that union members agreed with the budget reduction plan that the Fire Chief was bringing forward to the Council, a plan that did not require employee layoffs.

Councilperson Dortch reiterated that the plan the Fire Department brought to the Council in cooperation with Local #731 included engine brownouts and station closures.

Mayor Cashell said that the Council is requesting side benefit concessions from the bargaining units, and the concessions must be made soon if layoffs are to be avoided. He suggested that all budget cuts and layoffs should become effective March 1, 2010.

**MAYOR CASHELL ABSENT 12:19 P.M. ASSISTANT MAYOR ZADRA PRESIDED IN MAYOR CASHELL'S ABSENCE.**

Councilperson Sferrazza noted that the payroll for 11 Battalion Chiefs totaled approximately \$2.5 million, and questioned why Fire Department management staff has not set an example by making concessions.

City Manager Dreska and Councilperson Sferrazza discussed concessions that the Management Team and confidential employees made in 2009-2010.

Councilperson Sferrazza suggested that all management staff should be asked to take a reduction in salary.

**MAYOR CASHELL PRESENT AT 12:24 P.M.**

City Manager Dreska stated that staff will later in the meeting be requesting Council direction to ask all City employees to take up to an 8% equivalent reduction in salary and benefits.

Councilperson Zadra suggested that everyone put their emotions aside and move forward to make pragmatic decisions that will benefit the City now and in the future.

**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Councilperson Aiazzi said that only 50 of the City's 1,300 to 1,400 employees are considered at-will (confidential), and everyone else is represented by a bargaining unit. He stated that the Council must honor contracts that were made, and cannot simply decide to lower salaries or reduce benefits. Councilperson Aiazzi said that the only choice available to the Council is to reduce staffing levels in City departments.

Mayor Cashell said that if employees were willing to make enough concessions, there is the potential that no layoffs would be necessary.

THIS ITEM WAS CONTINUED TO LATER IN THE MEETING.

**A.5 PUBLIC COMMENT**

Garrett Gordon, representing SK Baseball and Nevada Land LLC, discussed the inaccuracy of a recent article in the *Reno Gazette Journal* titled "Reno comes up short in payments to Reno Aces owners." He stated that the article could have a chilling effect on the purchase of tickets, and damper the public's excitement for the upcoming 2010 season. He said that the City has not come up short on any payments to the Aces because no payments are due until October 2010, and if there is any justifiable shortfall in October, it would be carried forward to the following year.

COUNCILPERSON AIAZZI ABSENT AT 12:34 P.M.

Sam Dehne, Reno resident, discussed several issues.

Bergen Smith, no address provided, asked if Councilperson Aiazzi agreed to take a 5% cut in salary.

Maxine Tesche, P.O. Box 7152, discussed her opposition to employee layoffs.

Earl Douglas, 1890 Collins Circle, said that he cannot afford to pay the taxes on his property this year.

Sarah Turner, no address provided, said that 12 firefighters recently took a 100% cut in pay.

A RECESS WAS CALLED AT 12:37 P.M. AND UPON RECONVENING AT 1:25 P.M. COUNCILPERSON AIAZZI WAS ABSENT.

**AGENDA  
ITEM  
NO.**

- J.6 Update, presentation and recommendations for the FY2010-2011 Budget, including recommendation of reduction in force, discussion and potential direction to staff.

Recommendation: Staff recommends that the Council: 1) Select one-time reductions to include in the FY2010-2011 Budget for adoption in May 2010; and 2) direct the City Manager to return to the employee bargaining units to discuss employee concessions of up to \$10.4 million, or the amount of the General Fund deficit as reduced by one-time concessions.

THIS ITEM WAS ALSO DISCUSSED EARLIER IN THE MEETING.

City Manager Dreska said that staff made some modifications to the FY2010-2011 forecasted Budget and revenue streams since December 2009 as additional financial information was received, and has returned with a series of options to address the projected shortfalls. She said that some are one-time items, and others would have to be negotiated because they would affect all employees' salaries and benefits.

Mayor Cashell stated that the cuts and layoffs should be made by March 1, 2010 rather than July 1, 2010.

COUNCILPERSON AIAZZI PRESENT AT 1:30 P.M.

Mary Ann Parrot, Finance Director, presented the FY2010-2011 Budget update. She said that current revenue is not sufficient to meet ongoing expenditures, primarily because of the recession and a significant decline in revenue over the past couple of years, and any future Legislative impacts will be folded into the projections as those numbers become available.

Councilperson Aiazzi and Ms. Parrot discussed the recent \$6 million in savings in the FY2010-2011 Budget realized through a reduction in force of 36 positions. Ms. Parrot said that the figures do not include separation payments since those were factored into the FY2009-2010 Budget.

Councilperson Zadra and Ms. Parrot discussed the payment of \$365,000 to three Fire Department retirees.

Mayor Cashell said that the revised \$15,245,000 projected shortfall seems conservative based on what he has heard in Carson City.

Ms. Parrot said that staff factored in six months of revenues and will be examining a couple more months of C-Tax (Consolidated Tax) revenue, but does not know what the Legislature will decide to do during their Special Session.



**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Mayor Cashell suggested that Legislative action may add another \$5 million to \$6 million to the City's projected FY2010-2011 Budget deficit.

Ms. Parrot discussed estimated 2010-2011 salaries and benefits, and potential savings options.

Mayor Cashell and Ms. Parrot discussed the status of the Stabilization Reserve Fund.

Ms. Parrot discussed a variety of cost savings options, including a potential insurance premium holiday, asking employees to forego COLA (Cost of Living Allowance) and step increases, deferred compensation matches, a reduction in longevity pay, a 5% salary reduction for all employees, furloughs, requiring employees to pay 5% of the employee-only health insurance premium, and reductions in force.

City Manager Dreska presented information regarding the January 1, 2010 layoffs.

Councilperson Aiazzi and Ms. Parrot discussed details regarding the number of funded positions in the City's Budget.

Councilperson Sferrazza suggested that if everyone was willing to take a 5% reduction in salary and benefits effective January 1, 2010, and forego their COLA increases, the Budget could be balanced without any additional layoffs. She cautioned, however, that the projected deficits may be too conservative.

Ms. Parrot clarified that the proposed 5% payroll reduction across all salaries and benefits would save \$6.5 million, but if all employees agreed only to a 5% reduction in salary, it would save \$4.9 million. She said that staff would have to calculate extending that number out an additional six months and report back with the figures. Ms. Parrot also said that if all the one-time reductions are approved by the Council, staff would have to come back during the FY2011-2012 Budget planning sessions to address that issue because they could not guarantee that those one-time reductions would be available next year.

Councilperson Sferrazza said that if all City employees agreed to a 5% salary reduction with no COLAs or other increases effective January 1, 2010 and continuing for the next 18 months, there would be no need for additional layoffs.

**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Councilperson Sferrazza and Gayela Emory, Finance Department Senior Management Analyst, discussed the proposed insurance premium holiday. Ms. Emory explained that the holiday reduces the reserves set aside for catastrophic claims, and would apply only to those employees enrolled in the Reno self-funded plan.

Ms. Parrot said that the City is required to keep a reserve equal to 50% of the prior year's expenditures, plus incurred but not reported expenses, and is currently required to have a \$6.3 million fund balance.

Councilperson Aiazzi noted that the City currently pays 100% of employee-only health insurance premiums, and 50-55% of their dependents' health care premiums (depending on the bargaining unit).

Councilperson Sferrazza stated that the City pays 100% of elected officials and Management Team dependents' health insurance premiums.

Councilperson Aiazzi and Ms. Parrot discussed savings that could be realized by reducing the amount the City spends on dependents' health care coverage.

Councilperson Aiazzi and City Manager Dreska discussed the proposed March 1, 2010 implementation date for salary/benefits reductions.

Mayor Cashell stated that it may be necessary for the Council to hold a special meeting to discuss the proposed reductions. He said that would give the bargaining groups time to discuss possible concessions, and reiterated that the Budget would be close to balancing if everyone agreed to a one day per month furlough.

Councilperson Dortch said that the only thing the Council can decide today is whether to make the proposed one-time cuts outlined on page 7 of the power point presentation because other savings depend on what concessions the bargaining units are willing to make.

Councilperson Hascheff suggested putting aside the \$4.823 million in one-time savings in anticipation of further deficits that might be created by the State Legislature in their upcoming Special Session. He said that it would, of course, mean that the City would need to find \$15.2 million in savings rather than \$10.4 million.

Mayor Cashell suggested that whatever concessions the bargaining groups are willing to make should be given back to them when the economy improves.

**AGENDA  
ITEM  
NO.**

**J.6      Update ... 2010-2011 Budget, including recommendation of reduction in force --  
continued**

Councilperson Sferrazza said that it would be impossible to make such a commitment because there would already have been two years of concessions, and the economy may never return to the previous level.

Councilperson Hascheff said that there may be another 15% decrease in property tax assessments, and even when the economy does improve, it would take years to catch up because of the legislated property tax cap.

Mayor Cashell suggested that citizens petition the Legislature to remove the property tax cap.

Councilperson Hascheff suggested that, since employment tracks sales taxes and Nevada has the second highest rate of unemployment in the nation, there might not be a rebound in sales tax revenue over the next several years.

Councilperson Aiazzi and Ms. Emory discussed the proposed 5% across-the-board cuts in arts grants, and elimination of the Neighborhood Advisory Board (NAB) Community Pride Grant (CPG) program.

Councilperson Aiazzi stated that the City should not eliminate the CPG program, but could request that the NABs return the money if possible. He discussed the possibility of setting up a working group with the City's labor groups to discuss the FY2010-2011 Budget.

Mayor Cashell said that such a meeting would have to take place within the next 7 to 10 days.

Councilperson Gustin stated that while no one wants to take less money for the job (s)he is doing, it is a reasonable solution to the budget dilemma.

Mayor Cashell explained why Nevada's cities and counties no longer have the authority to raise taxes and fees.

Councilperson Zadra said that while the most effective solution could be a 5% reduction in salaries and benefits, every employee and represented group would have to agree to the cuts to meet the deficit. She stated that the Councilpersons voluntarily took a 5% salary cut effective January 1, 2010, and a 3.5% salary cut with no salary increases last year. She also encouraged residents to let their Legislators know whether cutting local budgets to balance the State's Budget is an acceptable practice.

**AGENDA  
ITEM  
NO.**

- J.6 Update ... 2010-2011 Budget, including recommendation of reduction in force -- continued

Mayor Cashell said that the citizens should also contact the Governor since he sets the dialogue for special Legislative sessions.

Councilperson Sferrazza summarized that it will take a combination of salary and benefits cuts to balance the City's Budget because the City should reserve the \$4.823 million as a cushion against additional State-imposed revenue diversions. She stated that while the Governor's lobbyist said that the Governor does not intend to divert more local revenues during the upcoming Special Session, everyone should contact the Governor and Legislators to let them know how the \$5 million they recently took from the City is affecting City employees.

Councilperson Dortch suggested that additional concessions that would allow the City to hire back its laid off employees should be discussed when staff meets with the bargaining units.

Councilperson Hascheff said that all 12 firefighters could be rehired if everyone conceded their incentives, and all the fire stations could be kept open with four-man crews.

It was moved by Councilperson Aiazzi, seconded by Councilperson Hascheff to adopt the staff recommendation regarding one-time savings options (additional Risk Fund transfer, remove CIP transfer, remove Street Fund transfer, transfer from Stabilization Reserve Fund) with the exception of items 5 (reduce CPG funding) and 6 (reduce Council donations).

Motion carried.

- J.6.1 **Resolution No.** Resolution of the City Council of the City of Reno finding that it is necessary to reduce staff of the City departments, and authorizing the City Manager to take all necessary and appropriate actions to implement this resolution for Fiscal Year 2010-2011.

Recommendation: Staff recommends that the Council adopt the resolution.

City Manager Dreska said that approval of the resolution would allow staff to devise a reduction in force plan.

Councilpersons Aiazzi and Dortch asked if the reduction in force plan could be drawn up in March 2010, which would give the bargaining units time to meet and discuss potential concessions.

**AGENDA  
ITEM  
NO.**

- J.6.1 Resolution ... finding that it is necessary to reduce staff of the City departments -- continued

Councilperson Sferrazza said that the Council should know what, if any, employee concessions will be made by March 2010.

Councilperson Dortch suggested that staff could present an update regarding bargaining unit concessions at each of the Council's February 2010 meetings.

Mayor Cashell suggested that the Council may have to hold a special meeting.

It was moved by Councilperson Aiazzi, seconded by Councilperson Hascheff to continue this item to February 24, 2010.

Motion carried.

It was moved by Councilperson Aiazzi, seconded by Councilperson Hascheff to direct the City Manager to return to the bargaining units to discuss possible employee concessions that would offset the projected budget deficit.

Motion carried.

COUNCILPERSON AIAZZI ABSENT AT 2:39 P.M.

**K.0 CITY CLERK**

- K.1 Boards and Commissions Appointments – None.**

**L.0 MAYOR AND COUNCIL**

- L.1 Identification of Mayor and Council Items for Future Agendas of the Reno City Council.

Councilperson Dortch requested a discussion with respect to hiring a lobbyist to assist the City during the February 2010 Special Legislative Session.

**L.2 Liaison Reports**

NO ACTION WAS TAKEN ON THIS ITEM.

- L.3 Reports from any Conferences or Professional Meetings.

NO ACTION WAS TAKEN ON THIS ITEM.

**AGENDA**  
**ITEM**  
**NO.**

- L.4 Discussion, potential appointments and potential direction to staff regarding the creation of a Stakeholder Group to provide ideas regarding the budget. J. Sferrazza

Councilperson Sferrazza said that while 18 applications have already been received from citizens interested in serving on the Stakeholders Group, applications should be accepted until February 10, 2010, and staff should be ready to begin meeting with the Group shortly thereafter.

Councilperson Gustin asked how many people will be asked to serve on the Stakeholders Group.

Councilperson Sferrazza said that a diverse group of people is needed to examine the City's Budget and make recommendations.

Mayor Cashell suggested that staff does not have time to educate and/or bring these individuals up to date regarding the complexities of the City's Budget within the next 30 to 45 days.

Councilperson Sferrazza said that input regarding the City's long-term goals is required, and staff should be re-diverted to this important endeavor.

City Manager Dreska said that some staff members currently working on the FY2010-2011 Budget have also been directed to meet with the bargaining units and, while working with the Stakeholders Group is an important undertaking, it would be a challenge for them to take on additional duties at this time.

Councilperson Gustin asked if people who serve on the Stakeholders Group should reside in the City of Reno.

Councilperson Sferrazza said that those who serve on the committee should reside in the City of Reno.

Mayor Cashell suggested that postponing the creation of the Group an additional two weeks, then asking staff to meet with them to solicit recommendations and prepare the final Budget within two weeks, is too much to ask.

Councilperson Hascheff said that the Council requested that people submit their applications to serve on the Stakeholders Group, and it might be possible to get them involved in some meaningful way after staff has met with the bargaining units.

**AGENDA**  
**ITEM**  
**NO.**

- L.4 Discussion ... creation of a Stakeholder Group to provide ideas regarding the budget -- continued

It was moved by Councilperson Hascheff, seconded by Councilperson Zadra to continue this item to the February 10, 2010 meeting.

Motion carried with Councilperson Aiazzi absent.

**M.0 PUBLIC HEARINGS – 6:00 P.M. – None.**

MEETING ADJOURNED AT 2:49 P.M.